



TELECOMMUNICATIONS GROUP

July 24, 1996

Via Courier

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Room 222  
Washington, D.C. 20554

Re: Ex Parte Submission  
ET Docket No. 96-98

JUL 24 1996

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Dear Mr. Caton:

Enclosed please find a copy of the ex parte submission forwarded today by WinStar Communications, Inc. ("WinStar") to John Nakahata, Acting Senior Legal Advisor to Chairman Reed E. Hundt.

The enclosed submission comprises amendments to WinStar's CLEC/LEC Model Interconnection Agreement. The Model Agreement was attached to WinStar's interconnection filings and also submitted to Mr. Nakahata during a June 13, 1996 ex parte presentation.

Sincerely,

Joseph M. Sandri, Jr.  
Assistant Vice President and  
Regulatory Counsel

Enclosure

cc: John Nakahata  
Michele Farquhar  
Regina Keeney  
D'wana Speight  
David Horowitz  
Susan Magnotti

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## MEMORANDUM

**TO:** John Nakahata

**FROM:** Timothy Graham  
Robert Berger

**DATE:** July 24, 1996

**RE:** Additional Pricing for Model Interconnection Agreement

JUL 24 1996

On behalf of WinStar Communications, Inc. ("WinStar"), we and our colleagues deeply appreciated the opportunity to meet with you on Thursday, June 13, to discuss the Model Interconnection Agreement ("Agreement") that WinStar had filed with its comments in the interconnection proceeding, No. 96-98. At this time, we thought it appropriate to provide additional pricing information that would specifically flesh out, or add to, certain portions of that Agreement. As such, we are providing only those few pages that contain additional pricing specifics, and briefly set forth below the derivation of the prices inserted into the Agreement. These pages may be substituted for the like numbered pages of the Agreement previously filed with the Commission, additional courtesy copies of which were provided to you on the 13th.

**9-1-1/E-9-1-1 (page 21):** Prices are derived from the NYNEX agreements for New York and Massachusetts (in particular, those which have been proposed to WinStar, which in turn are based on the agreements which MFS executed). The formulation used by Ameritech is somewhat different and more complex. In most cases, however, a carrier's 9-1-1/E-9-1-1 costs will be directly recoverable from the public service agencies served.

**Directory Assistance (pages 24-25):** Prices are derived from agreements WinStar and MFS have executed with Ameritech. These rates are approximately 50% or lower than the per call rates charged by NYNEX, however, NYNEX does not have a separate branding charge per trunk group. With any significant traffic volume at all the Ameritech pricing scheme appears more favorable to new entrants. To compare, for unbranded DA, Ameritech charges \$.26/call compared to \$.45 for NYNEX. For call completion, NYNEX charges \$.55 while Ameritech charges \$.17. For branded DA, NYNEX charges \$.50 per call, while Ameritech charges \$.26 per call plus a one time charge assessed on a per trunk group basis of \$650.

**BLV/BLVI (pages 26-27):** The rates again are from WinStar's agreement with Ameritech for Illinois, which are lower than those NYNEX has proposed to WinStar, and which MFS agreed to in its agreements with NYNEX. To compare, for BLV we have agreed to a \$.90 per inquiry charge with Ameritech, whereas the counterpart NYNEX charge is \$1.00. For BLVI, we agreed to pay Ameritech \$1.10 (in addition to the \$.90 for BLV), whereas the NYNEX charge is \$1.50 (in addition to the \$1.00 for BLV).

**Compensation for Unbundled Elements (page 29):** The \$8 business loop/\$11 residential loop rates were approved by the Michigan Public Service Commission in U-10647 in February 1995, were reaffirmed in U-10860, and continue to prevail in that state. Most

non-recurring charges have been disallowed. From a CLEC perspective, these are among the more rational loop rates approved to date (by comparison, for example, loops today are available from NYNEX for \$24.75, while Bell Atlantic charges in excess of \$12 per loop of any kind). Presumably, incumbents would argue that such rates are too low, and that loops have different costs in different states and/or regions. Nevertheless, the presumption should be against the incumbent position since they have virtually total control over the information flow. Moreover, virtually all economic experts retained by new entrants uniformly have suggested in state proceeding after state proceeding that appropriate loop prices (at least for business loops) would be in the \$7 to \$9 range.

Michigan arguably is a reasonable national surrogate in the first instance until TSLRIC pricing is determined, given that it has both significant urban areas (e.g., Detroit, Ann Arbor, Lansing), and also has significant suburban and rural territory over a wide geographic region.

The monthly per port rate of \$1.35 per basic business and \$3.75 per basic residence are the rates proposed by Ameritech itself in Michigan. Given that incumbents are inclined to load most of the "contribution" onto loops, it is likely that the per port rates are at or near TSLRIC in reality. Moreover, it is our understanding from engineering experts that ports essentially are fungible and hence a price that is legitimate in Michigan clearly should be applicable elsewhere throughout the country.

**Interim Number Portability (page 31):** This compensation section essentially is unchanged. As a basic matter, the surcharge per number formula (which would spread the cost of INP equally over all working numbers, and not just those of a new entrant), not only is in keeping with the Rochester Plan prevailing in New York, but also is clearly in line with the FCC's new order concerning number portability. By contrast, cost-based INP charges would be contrary to the FCC decision. Further, much of this discussion shortly will be rendered moot, given the fact that within a year or two, any formula adopted with respect to INP will be replaced by whatever compensation mechanism the FCC adopts with respect to cost recovery for long term or permanent number portability.

**Access to Rights of Way (page 33):** We have amended the section to refer to risers, and also to include a reference to contracts, per our own agreement with Ameritech in Illinois. These seemingly minor changes in actuality will assure WinStar access to roofs and risers owned or controlled by the incumbent in virtually all instances, a matter of great significance to a wireless, rather than a wireline, CLEC.

### CONCLUSION

Thank you again for the interest in our Model Interconnection Agreement which Chairman Hundt and yourself have demonstrated. We deeply appreciate the opportunity to be of service. Please do not hesitate to contact Mr. Berger at (202) 424-7635 with respect to the matters discussed above.

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- c. LEC will use its best efforts to facilitate the prompt, robust, reliable and efficient interconnection of CLEC systems to the 9-1-1/E-9-1-1 platforms, with standards of provisioning, service and performance that are non-discriminatory and are at least equal to those employed by LEC for itself, its affiliates and/or subsidiaries, and other carriers provided switched local exchange services.

2. Compensation

Compensation for the provision of 911/E911 service by CLEC will at a minimum be non-discriminatory and be no less favorable than that currently accorded by LEC, and on a going-forward basis which in the future hereafter may be accorded by LEC, to any other carrier providing switched local exchange services, including subsidiaries and/or affiliates of LEC or other LECs serving adjacent local service areas (*e.g.*, so-called independent telcos). CLEC will be required to connect trunks to the 911/E911 tandem(s). Initially, until such time as non-discriminatory rates are determined on the above basis, 911/E911 service will be provided to CLEC at monthly rates of \$252 for an unequipped DS1 Port and \$100 per voice grade trunk equipped on the DS1 Port.

B. Exchange of 800 Traffic

1. Description

The Meet-point Billing terms and conditions contained in section V of this agreement apply for the exchange of 800 traffic.

2. Compensation

Applicable Switched Access Meet-point billing rates shall apply for all 800 calls per the terms and conditions contained in section V of this agreement

C. Information Services Billing and Collection

1. Description

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- a. provide to CLEC unbranded directory assistance service which is comparable in every other way to the directory assistance service LEC makes available to its own end users;
  - b. provide to CLEC directory assistance service under CLEC's brand which is comparable in every other way to the directory assistance service LEC makes available to its own end users;
2. When available, at CLEC's request, LEC will:
  - a. provide to CLEC operators or to a CLEC-designated operator bureau on-line access to LEC's directory assistance database, where such access is identical to the type of access LEC's own directory assistance operators utilize in order to provide directory assistance services to LEC end users;
  - b. allow CLEC or a CLEC-designated operator bureau to license LEC's directory assistance database for use in providing competitive directory assistance services; and/or
  - c. in conjunction with VII.E.1.a. or VII.E.1.b., above, provide caller-optional directory assistance call completion service which is comparable in every way to the directory assistance call completion service LEC makes available to its own end users. When this functionality is available, LEC will route the calls back to CLEC for CLEC to complete the customer call.
3. Compensation

LEC will charge CLEC its wholesale IXC/LEC rates for the following functionality, which rates will at a minimum be non-discriminatory and be no less favorable than that currently accorded by LEC, and on a going-forward basis which in the future hereafter may be accorded by LEC, to any other carrier, including subsidiaries and/or affiliates of LEC or other LECs serving adjacent local service areas (e.g., so-called independent telcos), or its most favored customers. Initially, until such time as non-discriminatory rates are determined on the above basis, the following rates will apply:

- a. \$.26 per directory assistance call.

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- b. \$.25 per call for Customer Name and Address ("CNA"), where call is originated from CLEC to LEC's CNA Bureau..
- c. \$.17 per use of caller-optional directory assistance call completion.
- d. \$650 per trunk group (non-recurring charge) for Branding (for these purposes, a trunk group is a set of circuits from an end office to a tandem, from tandem to tandem, or from tandem to end office that possess the same characteristics, such as transporting the same type of traffic, and that are all assigned the same trunk group number)

**F. Yellow Page Maintenance**

LEC will work cooperatively with CLEC to ensure that Yellow Page advertisements purchased by customers who switch their service to CLEC (including customers utilizing CLEC-assigned telephone numbers and CLEC customers utilizing co-carrier number forwarding) are maintained without interruption. LEC will allow CLEC customers to purchase new yellow pages advertisements without discrimination, at non-discriminatory rates, terms and conditions. LEC and CLEC will work cooperatively to investigate with LEC Directory Publishing whether LEC would implement a commission program whereby CLEC may act as a sales, billing and collection agent for Yellow Pages advertisements purchased by CLEC's exchange service customers.

**G. Transfer of Service Announcements**

When an end user customer changes from LEC to CLEC, or from CLEC to LEC, and does not retain its original telephone number, the party formerly providing service to the end user will provide a transfer of service announcement on the abandoned telephone number upon request, for a minimum period of ninety days, at no charge. This announcement will provide details on the new number to be dialed to reach this customer. These arrangements will be provided reciprocally based upon current practice with LEC's customers to either the other carrier or the end user customer

**H. Coordinated Repair Calls**

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CLEC and LEC will employ the following procedures for handling misdirected repair calls:

1. CLEC and LEC will educate their respective customers as to the correct telephone numbers to call in order to access their respective repair bureaus.
2. To the extent the correct provider can be determined, misdirected repair calls will be referred to the proper provider of local exchange service in a courteous manner, at no charge, and the end user will be provided the correct contact telephone number. Extraneous communications beyond the direct referral to the correct repair telephone number are strictly prohibited.
3. CLEC and LEC will provide their respective repair contact numbers to one another on a reciprocal basis.

I. Busy Line Verification and Interrupt

1. Description

Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other Party operating in order to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users. BLV and BLVI inquiries between operator bureaus shall be routed over the appropriate trunk groups. CLEC and LEC will reciprocally provide adequate connectivity to facilitate this capability. In addition, upon request of CLEC, LEC will make available to CLEC for purchase under contract BLV and BLVI services at mutually agreed-upon rates, terms and conditions which, in all instances, shall be on a non-discriminatory basis and be at least as favorable as those which LEC may extend to other carriers, affiliates and/or subsidiaries of LEC or other LECs serving adjacent local service areas (e.g., so-called independent telcos), and/or most favored customers.

2. Compensation

Initially, until such time as non-discriminatory rates are determined on the above basis, each Party shall compensate the other Party for BLV and BLVI inquiries according to the following rates:

	<u>per inquiry</u>
BLV	\$ 90

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BLVI

\$1.10 (plus the \$.90 for BLV)

J. Information Pages

LEC will include in the "Information Pages" or comparable section of its White Pages Directories for areas served by CLEC, listings provided by CLEC for CLEC's installation, repair and customer service and other information, in the same format and style as LEC does for its own listings.

K. Operator Reference Database (ORDB)

If available, LEC will work cooperatively with CLEC to assist CLEC in obtaining from the appropriate 911 government agencies monthly updates to the Operator Reference Database (ORDB). If available, this will enable CLEC to promptly respond to emergency agencies (i.e. fire, police, emergency medical technicians, etc), as a back-up to 911, during a catastrophic situation.

**VIII. UNBUNDLED EXCHANGE SERVICE ARRANGEMENTS**

A. Description

LEC shall unbundle all its Exchange Services into three separate packages: (1) link element; (2) port element; and (3) cross-connect element. The following link and port categories shall be provided:

Link Categories

2/4-wire analog voice grade  
2 wire ISDN digital grade  
4-wire DS-1 digital grade

Port Categories

2/4-wire analog line  
2-wire ISDN digital line  
2-wire analog DID trunk  
4-wire DS-1 digital DID trunk  
4-wire ISDN DS-1 digital trunk

LEC shall unbundle and separately price and offer these elements such that CLEC will be able to lease and interconnect to whichever of these unbundled elements CLEC requires, and to combine the LEC-provided elements with any facilities and services that CLEC may itself provide, in order to efficiently offer telephone services to end users, pursuant to the following terms:

1. Interconnection shall be achieved via co-location arrangements CLEC shall maintain at the Wire Center at which the unbundled elements are resident or by virtue of a mid-span meet.



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link element to CLEC and receive Exchange Service from CLEC via such link, LEC shall use its best efforts to deliver such link to CLEC on an unintegrated basis, pursuant to CLEC's chosen hand-off architecture, without a degradation of end user service or feature availability. LEC and CLEC recognize that there may be technical limitations that may need to be addressed to enable this requirement, therefore CLEC and LEC agree to begin working cooperatively to address any technical issues within 60 days upon execution of this agreement.

7. LEC will permit CLEC to co-locate digital loop carriers and associated equipment, including wireless components including but not limited to antennae, in conjunction with co-location arrangements CLEC maintains at a LEC Wire Center, for the purpose of interconnecting to unbundled link elements.
8. To provide future order and trouble reporting LEC shall work cooperatively with CLEC to accommodate CLEC's requirement for an appropriate industry-standard on-line electronic file transfer arrangement by which CLEC may place, verify and receive confirmation on orders for unbundled elements, and issue and track trouble-ticket and repair requests associated with unbundled elements

**B. Compensation**

Unbundled Exchange Access Arrangements shall be provided at a rate equal to the Total Service Long Run Incremental Cost (TSLRIC) of each such Arrangement, as determined by the Commission or by the FCC, as appropriate. Until such time as a TSLRIC price is determined, the price of each such arrangement shall be established on a non-discriminatory basis at a rate no higher than the better of that which the LEC charges any one of its own affiliates and/or another carrier providing telecommunications services, or its most favored customers. Initially, and at a minimum, unbundled links will be provided at a rate of \$8 per business line and \$11 per residential line; unbundled ports will be provided at a rate of \$1.35 per basic business and \$3.75 per basic residence. Non-recurring charges will not apply.

**IX. LOCAL TELEPHONE NUMBER PORTABILITY ARRANGEMENTS**

**A. Description**

LEC and CLEC will provide Interim Number Portability (INP) on a reciprocal basis between their networks to enable each of their end user customers to utilize telephone numbers associated with an Exchange Service provided by one carrier, in conjunction with an Exchange Service provided by the other carrier, upon the coordinated

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- c. Carrier A will update its Line Information Database ("LIDB") listings for retained numbers and cancel calling cards associated with those forwarded numbers.
  - d. Within two (2) business days of receiving notification from the customer of termination of service, Carrier B shall notify Carrier A of the customer's termination of service with Carrier B, and shall further notify Carrier A as to the Customer's instructions regarding its telephone number(s). Carrier A will cancel the INP arrangements for the customer's telephone number(s). If the Customer has chosen to retain its telephone number(s) for use in conjunction with Exchange Services provided by Carrier A, Carrier A will simultaneously transition the number(s) to the customer's preferred carrier.
- 3. Under INP, CLEC and LEC will implement a process to coordinate INP cut-overs with Unbundled Loop conversions within a reasonable time that is acceptable to customers.
  - 4. The method utilized to provide INP may be changed, upon the mutual agreement of the parties, to reflect the best available technology (e.g., implementation of route indexing).

**B. Compensation**

- 1. CLEC and LEC shall provide INP arrangements to one another without direct charge. All costs of providing INP will be recovered through the application of an annual surcharge on customer bills, levied equally on all working telephone numbers.
- 2. For all traffic terminated between CLEC and LEC to the party whose customer ultimately receives the call, reciprocal compensation charges and Switched Access charges (pursuant to each carrier's respective tariffs), shall apply for POTS traffic and non-POTS traffic.
- 3. With respect to numbers subject to INP, the carrier-of-record for a given customer shall be entitled to collect and retain the Residual Interconnection Charge ("RIC").

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the LEC at no less than a 35% discount from the retail price of such services, unless the parties otherwise mutually agree.

**XII. ACCESS TO RIGHTS OF WAY**

Each Party shall provide the other Party access to its roofs, risers, poles, ducts, rights-of-way and conduits they own and/or control on non-discriminatory terms, conditions and prices similar to those offered to other telecommunications carriers, including affiliates and/or subsidiaries, and/or most favored customers, pursuant to each Party's tariffs, contracts, and/or standard agreements. In addition, purposes of interconnecting their networks, no charges will attach for use by either Party of roofs or risers at Central Offices.

**XIII. RESPONSIBILITIES OF THE PARTIES**

- A. LEC and CLEC agree to treat each other fairly, non-discriminatorily, and equally for all items included in this agreement, or related to the support of items included in this agreement.
- B. CLEC and LEC will work cooperatively to minimize fraud associated with 3rd-number billed calls calling card calls, or any other services related to this agreement
- C. CLEC and LEC agree to promptly exchange electronically all necessary records for the proper billing of all traffic.
- D. For network expansion, CLEC and LEC will jointly review engineering requirements on no less than a semi-annual basis and will establish forecasts for trunk utilization. New trunk groups will be implemented as dictated by engineering requirements for both LEC and CLEC, respectively. LEC and CLEC are required to provide each other the proper call information (e.g., originated call party number and destination call party number, CIC, OZZ, etc.) to enable each company to bill in a complete and timely fashion.
- E. There will be no re-arrangement, reconfiguration, disconnect, or other non-recurring fees for any mutually beneficial network interconnections associated with the initial reconfiguration for traffic exchange, 911/E911, Interim Number Portability, Meet-point Billing, Directory Assistance, Information Services Common Channel Signalling, and BLV/BLVI connectivity.
- F. The Parties further agree that as between themselves, full nonrecurring installation charges only will be applied in the case of physical work or rearrangements or rewiring involved in installing new service or